

TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION

(A COMPONENT UNIT OF THE  
TOWN OF RAMAPO, NEW YORK)

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2009

TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION  
(A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

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O'Connor Davies Munns & Dobbins, llp  
ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

To the Board of Directors of the  
Town of Ramapo Local Development Corporation  
(a component unit of the Town of Ramapo, New York)

We have audited the accompanying statement of net assets of the Town of Ramapo Local Development Corporation (the "Corporation") (a component unit of the Town of Ramapo, New York) as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. However, Management's Discussion and Analysis was not provided by Management.

*O'Connor Davies Munns & Dobbins, LLP*

O'Connor Davies Munns & Dobbins, LLP  
May 17, 2010

**Bennett Kielson Storch DeSantis Division**

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RAMAPO LOCAL DEVELOPMENT CORPORATION  
(A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

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**ASSETS**

Cash and equivalents	\$ 1,271,601
Prepaid expenditures	39,999
Real estate held for sale	<u>11,204,897</u>
Total Assets	<u>12,516,497</u>

**LIABILITIES**

Accounts payable	328,855
Due to primary government	3,080,000
Non-current liabilities - Due in more than one year - Loans payable	<u>1,912,400</u>
Total Liabilities	<u>5,321,255</u>

**NET ASSETS**

Invested in capital assets, net of related debt	7,076,158
Unrestricted	<u>119,084</u>
	<u>\$ 7,195,242</u>

The notes to the financial statements are an integral part of this statement.

RAMAPO LOCAL DEVELOPMENT CORPORATION  
(A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009

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Operating Revenues	<u>\$ -</u>
Operating Expenses	
General and administrative	2,063
Rent	11,000
Salaries	56,954
Payroll taxes	1,424
Advertising and promotion	360
Utilities	631
Insurance	7,783
Other	<u>810</u>
Total Operating Expenses	<u>81,025</u>
Loss from Operations	<u>(81,025)</u>
Non-Operating Revenues	
Capital grant - Community Development Block Grant	200,000
Donation of land	7,076,158
Interest income	<u>109</u>
Total Non-Operating Revenues	<u>7,276,267</u>
Change in Net Assets	7,195,242
Net Assets - Beginning of Year	<u>-</u>
Net Assets - End of Year	<u><u>\$ 7,195,242</u></u>

The notes to the financial statements are an integral part of this statement.

RAMAPO LOCAL DEVELOPMENT CORPORATION  
(A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2009

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Cash Flows From Operating Activities:	
Cash paid to employees	\$ (58,378)
Cash paid for general and administrative costs	<u>(61,360)</u>
Net Cash Used in Operating Activities	<u>(119,738)</u>
Cash Flows From Investing Activities -	
Interest income	<u>109</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition of real estate	(721,170)
Proceeds from grants	200,000
Proceeds from loans	<u>1,912,400</u>
Net Cash Provided by Capital and Related Financing Activities	<u>1,391,230</u>
Net Change in Cash and Equivalents	1,271,601
Cash and Equivalents - Beginning of Year	<u>-</u>
Cash and Equivalents - End of Year	<u><u>\$ 1,271,601</u></u>
Reconciliation of Loss From Operations to Net Cash Used in Operating Activities:	
Loss from operations	\$ (81,025)
Adjustments to reconcile loss from operation to net cash provided from operating activities:	
Due to primary government	3,080,000
Accounts payable	<u>1,286</u>
Net Cash Provided by Operating Activities	<u><u>\$ 3,000,261</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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**Note 1 - Organization and Purpose**

The Ramapo Local Development Corporation ("Corporation") was formed in 2008 by the New York State Legislature under the provisions of Section 1411 of the Not-for-Profit Corporation Law for the purpose of fostering the creation, retention and expansion of jobs and economic opportunities in the Town of Ramapo ("Town"). Additionally, the Corporation will construct, acquire, rehabilitate and improve for use by others, facilities in the Town. The Corporation is exempt from Federal, State and local income taxes. The Corporation, although established by the State, is a separate entity and operates independently of the Town. The governing board consists of four members appointed by the Town's Board. Presently, the Town guarantees and is liable for Corporation debt.

**Note 2 - Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Corporation has been identified as a component unit of the Town. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 14, the Corporation's financial statements have been discretely presented in the Town's financial statements. These criteria include assessment of legal standing, fiscal dependency and financial accountability.

**Basis of Accounting**

The accounting policies of the Corporation conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Corporation reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Cash and Equivalents**

Cash and equivalents consist of funds deposited in demand deposit accounts.

**Real Estate Held for Sale**

Real estate held for sale consists of land, land improvements, buildings and building improvements that were acquired and donated to the Corporation.

Major outlays for real estate are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

**Due to Primary Government**

Due to primary government of \$3,080,000 as of December 31, 2009 represents amounts due to the Town for the purchase of property.

NOTES TO FINANCIAL STATEMENTS (Concluded)

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Retirement and Health Benefits**

The Corporation does not currently provide retirement or health benefits to its employees.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use. Net assets on the statement of net assets include the amount invested in capital assets net of related debt and unrestricted.

**Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 17, 2010.

**Note 3 - Loans**

Loans payable at December 31, 2009 are comprised of the following:

	<u>Land Loan</u>	<u>Site Loan</u>	<u>Construction Loan</u>
Loan Commitment	\$ 1,826,900	\$ 2,773,000	\$ 8,800,000
Interest Rate	Prime +1%	Prime +1%	Prime +1%
Payment Terms	2 Year Term with Only Interest Due Monthly		
Maturity	12/09/2011	12/09/2011	12/09/2011
Amount Outstanding at December 31, 2009	\$ 1,826,900	\$ 85,500	\$ -

The above loans are all guaranteed by the Town of Ramapo, New York and the loans are secured by the land.